

California Department of Justice  
Bureau of Criminal Identification & Investigative Services

## California Pawn & SecondhandDealer System (CAPSS)

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### Frequently Asked Questions (FAQs)

**1. What is the California Pawn & SecondhandDealer System (CAPSS)?**

CAPSS is the name given to the electronic system that is being developed to meet the legislative mandate for secondhand dealers and pawnbrokers to electronically submit the Secondhand/Pawnbroker Report (JUS 123) to the California Department of Justice (DOJ). The CAPSS is a secured, web-based electronic reporting system that requires the use of a desktop/laptop computer and a standard web browser.

**2. Why is the CAPSS being developed?**

Existing law requires secondhand dealers and pawnbroker to report daily (or on the first working day after receipt) of purchase of secondhand tangible personal property to local law enforcement agencies (LEAs). For many businesses, this process is completed by completing a hard copy JUS 123 and mailing the form to their local LEA where the information is entered into the DOJ Automated Property System (APS).

In 2012, Assembly Bill (AB) 391 was enacted which established a new requirement that secondhand dealers and pawnbrokers electronically report to the DOJ all secondhand tangible property which has been purchased, taken in trade, taken in pawn accepted for sale on consignment, or accepted for auctioning (Business & Professions (B&P) Code, Section 21630 and 21633, subdivision (j)). This new electronic submission of information eliminates the need for the completion of a hard copy JUS 123 by secondhand dealers and pawnbrokers as well as the process undertaken by LEAs to manually enter the reports into APS.

**3. When is the CAPSS due to be fully implemented and when am I, the user, required to utilize the new system?**

Tentative rollout for the CAPSS is scheduled for early 2014. B&P Code Section 21628 requires that on and after the date that the DOJ implements the single, statewide, uniform electronic reporting system each secondhand dealer and pawnbroker shall electronically report using that.

**4. Until the DOJ has a system developed, how should the secondhand dealer/pawnbroker transaction data be submitted? Where should it be submitted?**

Until the new system is fully implemented, secondhand dealers and pawnbrokers should continue with their current method of reporting to the appropriate law enforcement agency.

**5. Once the new system is implemented, will secondhand dealers and pawnbrokers need to report via paper forms for a period of time?**

B&P Code Section 21628 requires that on and after the date that the DOJ implements the single, statewide, uniform electronic reporting system each secondhand dealer and pawnbroker shall electronically report using the system and for the first 30 days following the implementation date, each secondhand dealer and pawnbroker shall also report the information in the current paper format.

**6. How will pawnbrokers and law enforcement be notified that the system is fully functional?**

The notification will be made via the DOJ's California Law Enforcement Website (CLEW) ([www.clew.ca.gov](http://www.clew.ca.gov)) for LEAs, and through the California Pawnbrokers Association (CAPA) website for pawnbrokers and AG's Public Internet.

**7. Who will be the main users of the CAPSS?**

The main users of the CAPSS will include any authorized licensed secondhand dealer or pawnbroker and authorized law enforcement personnel.

**8. Will there be costs associated with using the CAPSS or will there be any special equipment or software needed?**

There is no cost associated with being a user of the CAPSS. However, there may be some equipment costs (e.g., electronic fingerprint reader and/or electronic signature pad) that secondhand dealer and pawnbroker businesses will need to purchase in order to electronically submit all required data to the DOJ.

**9. What is the difference between a state secondhand dealer license and a pawnbroker license?**

A secondhand dealer is any person, whose business includes buying, selling, taking in trade, taking in pawn, taken on consignment, accepting for auction or auctioning secondhand tangible personal property.

A pawnbroker is any person engaged in the business of receiving goods in pledge as security for a loan. A pawnbroker is also a secondhand dealer, but a secondhand dealer is not a pawnbroker.

Financial Code Section 21303 requires a pawnbroker to file with the licensing agency a \$20,000 non-revocable surety bond in favor of the State of California. In addition, Financial Code Section 21304 requires the applicant to submit to the licensing agency a certified financial statement that he/she has at least \$100,000 in liquid assets, not including real property, to be utilized in the course of business, signed by a California certified public accountant; or post a non-revocable bond in the amount of \$100,000 with the local licensing agency prior to the issuance of a pawnbroker license.

**10. What is tangible personal property?**

Tangible personal property is defined as property which possess or demonstrate having had a manufactured applied serial number, owner applied name or number or inscription. (B&P Code 21627)

**11. What if the Pawn shop has its own system for processing pawn/secondhandDealer transactions? Would their system be able to interface with the CAPSS?**

Yes, CAPSS will provide the ability to upload a data file from their local data system. The data must meet DOJ requirements. A technical specifications document will be provided and posted on this website soon.

**12. How long will the transactions data be retained in the CAPSS?**

Pursuant to AB 391, the record transactions will be retained in CAPSS for a period of five years.